## Message Text

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TAGS: ECON PINT NL
SUBJECT: PARLIAMENT ACQUIESCES IN GOVERNMENT'S DELAY IN
ANNOUNCING ITS ECONOMIC PLANS

REF: THE HAGUE 3412

1. FOLLOWING JUNE 21 DISCUSSION IN PARLIAMENT OF PM VAN AGT'S JUNE 20 LETTER STATING THAT GOVERNMENT'S ECONOMIC PROPOSALS WOULD NOT BE READY FOR DEBATE PRIOR TO PARLIAMENT'S RECESS ON JUNE 29, THE GOVERNMENT PARTIES DEFEATED AN OPPOSITION MOTION CALLING FOR SUBMISSION OF THE GOVERNMENT'S ECONOMIC MEMORANDUM BEFORE SUMMER RECESS. THE GOVERNMENT RECEIVED SUPPORT FROM COALITION FACTIONS (CHRISTIAN DEMOCRATES AND LIBERALS) AS WELL AS SIX VOTES FROM SMALL CONSERVATIVE PARLIAMENT GROUPS.

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2. DURING DISCUSSION IN PARLIAMENT VAN AGT STATED THAT DELAY HAS RESULTED FROM CONTINUING INABILITY OF CABINET, IN KEEPING WITH ITS ECONOMY PROPOSALS, TO SHARE OUT THE REDUCTIONS REQUIRED IN THE PLANNED INCREASE IN GOVERNMENT EXPENDITURES FOR 1979. HE SAID HE WOULD THEREFORE BE UNABLE TO GUARANTEE WHEN THE ECONOMIC MEMORANDUM WOULD BE READY FOR

SUBMISSION. HE ASSURED THE PARLIAMENT THAT THERE WERE NO PROBLEMS IN THE CABINET OVER THE MEMORANDUMS PROPOSALS DEALING WITH SUCH ITEMS AS THE EXCESS PRFIT SHARING SCHEME (VAD), THE INVESTMENT ACCOUNT BILL, WORKS COUNCILS, AND SUPERVISORY BOARDS OF MAJOR COMPANIES.

3. PLANS LAID BY LABOR UNIONS IN ANTICIPATION OF A DEBATE ON THE ECONOMY PLAN CONTINUE TO UNFOLD, HOWEVVER. CIVIL SERVANTS IN AMSTERDAM, ROTTERDAM, GRONINGEN AND UTRECHT STARTED A 24 HOUR WORK STOPPAGE EVENING OF JUNE 22. THE STOPPAGE WAS CALLED BY THE FNV-AFFILIATED CIVIL SERVANTS UNION ACOP (290,000 MEMBERS) TO PROTEST LEAKED GOVERNMENT PLANS TO KEEP THE RISE IN CIVIL SERVANTS' SALARIES ONE PERCENT BELOW THE INCREASE IN THE GENERAL WAGE LEVEL FOR THE NEXT THREE YEARS, AND TO SUPPORT THE UNIONS' DEMAND THAT NO DECISION BE MADE UNTIL OPEN AND REALISTIC TALKS BETWEEN THE GOVERNMENT AND THE UNIONS HAVE TAKEN PLACE. THE WORK STOPPAGE IN THE FOUR CITIES WILL MAINLY AFFECT PUBLIC SERVICES SUCH AS TRAMS AND BUSES, GARBAGE COLLECTION, AND POSTAL SERVICES. THE UNION HAS ALSO CALLED FOR A DEMON-STRATION MEETING IN THE HAGUE ON JUNE 26 AGAINST THE GOVERN-MENT'S PLANS. AUTHORITIES EXPECT ABOUT 70.000 CIVIL SERVANTS TO SHOW UP. FEATURED SPEAKER WILL BE WIM KOK, CHAIRMAN OF THE LARGEST TRADE UNION FEDERATION FNV.

4. COMMENT: WHILE THERE IS STILL THE POSSIBILITY THAT UNCLASSIFIED

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THE GOVERNMENT MAY RELEASE ITS LONG AWAITED ECONOMIC MEMORANDUM BEFORE THE SUMMER RECESS, IT APPEARS MOST LIKELY THAT THE MEMORANDUM'S SUBMISSION, AND CERTAINLY THE SUBSEQUENT DEBATE UPON IT BY PARLIAMENT, WILL OCCUR AFTER THE RETURN OF PARLIAMENT IN LATE AUGUST. THE VAN AGT GOVERNMENT, BY FURTHER POSTPONING THE ANNOUNCEMENT AND DEBATE OF ITS ECONOMIC POLICIES, HAS AGAIN DEMONSTRATED ITS RELUCTANCE TO DEAL WITH MAJOR ISSUES BUT IT HAS AT LEAST POSTPONED A MAJOR TEST OF ITS SURVIVABILITY. BROWN

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